

INSPECTION REPORT

CASE FILE: UTU-79909
LEGAL: W½NW¼ section 23, T. 26 S., R. 4 W., SLM
INSPECTOR: Michael K. Jackson, Geologist
DATE of INSPECTION: August 6, 2003
DATE of REPORT: August 7, 2003

On August 6, 2003, I met Mr. Sandy Nell and Lynn Kunzler and Tom Munson of DOGM at Joseph. Nell's prospect is south of the Iron Cap, a prominent topographic feature in the Antelope Range. His prospect is in area that has been prospected and mined for alunite, a high-alumina clay, which historically was mined for potash alum and prospected and tested for aluminum in the Marysville area. The proposed site is south of the Yellow Jacket mine and the Marys Lamb mine, both alunite deposits. At one time, an alunite mill was in the valley to the east of this prospect.

Mr. Nell is interested in a high alumina clay with low alkali, iron, and magnesium. The subject deposit would be a kaolin clay. He has proposed to prospect and mine, if feasible, for the manufacture of cement, porcelain, paper, paint, and chip board. I have discussed the issue of common variety minerals with him and that BLM would not authorize production for a possible common variety under the mining laws, except for certain interim provisions in the 3809 regulations.

He proposes to drill several holes and to take a bulk sample at the most favorable location, based on drilling. At this time, he proposes to drill two to three holes on an access road that leads south from the saddle that is south of the Iron Cap. In addition, at the switchback on this access road, he would take a rig to the top of the hill for another drill site. We did not visit this site—he described it as a relative level area with outcrop and existing disturbance. Another site would be further south of the access road switchback at an old dozer, side hill cut. At each site, he would drill a vertical hole and several directional holes. Hole depth or length would be about 50 feet with an approximate three-inch diameter hole. Drill hole samples would be cuttings, logged every 5 feet. Holes would be drilled by a tracked rig and new access roads would not be proposed at this time as the rig should be capable of cross-country travel. Holes would be drilled by air rotary. We did not discuss analysis in detail, but he would analyze for alumina, magnesium, potassium, sodium, and other chemical constituents.

Based on the drilling results, he said that he would propose bulk sampling at the most favorable site. We did not discuss the specifics of that sampling at this time. We would accept a notice for drilling to determine if the clays has a grade suitable for his proposed markets.

He stated that he will submit a completed notice in the near future. He has reviewed the recent letter from BLM and he said he would address to an appropriate detail. Exploring and testing for a possible common variety under 3809 does not appear to conflict with the regulations. He would be obtaining data that would be relevant to that determination.

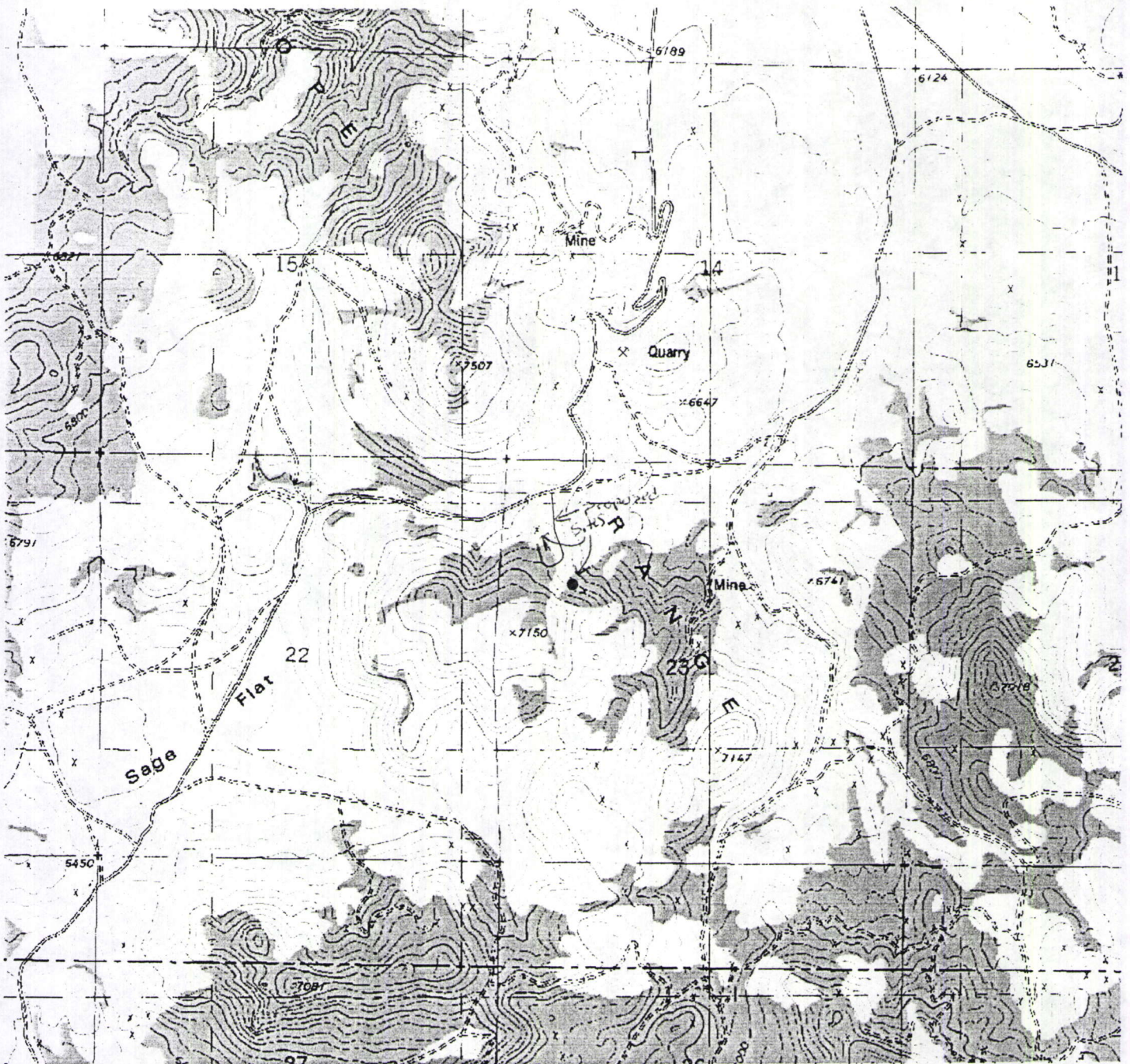
The inspection took about one hour.

GLH

Michael K. Jackson

8/15/03 - This project area - E2NE, N2N2SE (most) Sec. 23, W2NW Sec. 23
is public land, including mineral estate.

Sandy Nell Prospect
UTU-79909
T. 26 S., R. 4 W., section 23



1:24000

- Old side cut. Proposed drill site.



Access road to first switchback. mapped by GPS
 Leads to propose site at top of hill.
 Also propose to drill on road in area mapped.

